



Los Angeles County AUDIT COMMITTEE

Louisa Ollague, Chair
1st District
Brence Culp, Vice Chair
3rd District
Clinton Tatum
2nd District
Carl Gallucci
4th District
Lori Glasgow
5th District

MEETING MINUTES

November 17, 2005

Chairperson Louisa Ollague called the meeting to order at 1:38 p.m. in Conference Room, 525, at the Kenneth Hahn Hall of Administration.

Committee Members Present

Louisa Ollague, First District
Brence Culp, Third District
Carl Gallucci, Fourth District
Lori Glasgow, Fifth District

Committee Members Absent

Clinton Tatum, Second District

Others in Attendance

Maria Oms, Auditor-Controller
Jim Schneiderman, Auditor-Controller
Robert Campbell, Auditor-Controller
Wendy Watanabe, Auditor-Controller

Garen Khachian, Board of Supervisors
Sandra Barbee, Board of Supervisors

Approval of Minutes

On motion of Louisa Ollague, seconded by Carl Gallucci, the Committee unanimously approved the October 20, 2005 minutes.

Old Business

Vendor Business at the Hall of Administration:

The Committee unanimously approved continuing this item to the December 15, 2005 meeting and requested Building Manager Jesse Rodriguez and the appropriate CAO representative attend the meeting to resolve questions/issues.

Group Home Program Monitoring Report – Living Advantage, Incorporated – Advantage Living and Second Change Group Homes: Ms. Oms reported 70 significant deficiencies were found at the homes. DCFS investigated the Auditor-Controller's findings and placed the homes under Administrative Hold. All children were removed from the homes and will not be readmitted until DCFS and Auditor-Controller conduct a follow up review in December 2005 to determine whether all deficiencies were corrected. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report and requested this item be placed on the February 16, 2006 meeting agenda.**

Reports to be Received and Filed

El Nido Family Centers Contract Review – Cal-Learn Case Management Services:

Generally, the agency provided the services required in its County contract. However, management needs to ensure staff meets with the program participants on a quarterly basis and obtain the participants' signature on the case plan as needed. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Koinonia Foster Family Agency Contract Review: Agency needs to improve their oversight of the foster homes to ensure compliance with Title 22 provisions are being met. For instance, 57% of the homes visited did not store toxins, detergents, or knives in a secured location. Additionally, four out of eight social workers maintained average caseloads of 17, which exceed the maximum of 15 cases allowable by the County contract. Auditor-Controller received agency's response and implementation of recommendations has begun. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Children's Hospital Los Angeles Contract Review – Cal-Learn Case Management Service: Overall, the agency provided the services required by the County contract and is using the appropriate number of staff. Also, the program participants reported the Agency's services met their expectations. However, the agency did not achieve their performance outcome standard of ensuring a 50% high school graduation rate. Agency will implement an independent study program to assist program participants in completing their high school education and increase the agency's graduation rate from 33%-50%. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Families for Children Foster Family Agency Contract Review: Agency needs to improve their oversight of the foster homes to ensure compliance with Title 22 provisions are being met. Agency reported corrective action has begun and recommendations have been implemented. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Maravilla Foundation Contract Review – Workforce Investment Act (WIA) Youth Program: Review determined agency is providing the services as outlined in their County contract. However, the agency failed to sufficiently complete the Individual Service Strategy (ISS) plans for the 15 program participants sampled as required by WIA guidelines. Agency agreed with Auditor-Controller's findings and will strengthen in-house documentation controls. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

South Bay Workforce Investment Board Contract Review – Workforce Investment Act Adult and Dislocated Worker Programs: Review determined South Bay Workforce Investment Board (WIB) is in compliance with the County contract and WIA guidelines. However, Auditor-Controller recommended South Bay WIB update their participant case files and that former participants are contacted quarterly for one year as required by WIA guidelines. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Jewish Vocational Services Contract Review – Workforce Investment Act (WIA) Adult, Dislocated Worker, Special Needs and Youth Programs: Generally, Jewish Vocational Services (JVS) is in compliance with the County contract and WIA guidelines, however, JVS needs to successfully complete the Individual Service Strategy (ISS) plans. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Quarterly Fraud Hotline Status Report: During this period, the Office of County Investigations closed 129 cases wherein 17 were substantiated, 51 unsubstantiated, and 61 were not investigated after a preliminary review determined the allegation was either immaterial, previously investigated, referred to an outside agency, or not enough information was provided. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Hathaway Children and Family Services Foster Family Agency Contract Review: Although the Agency is providing the services outlined in its County contract, Auditor-Controller review determined the following areas of improvement needed: ensure foster parents complete the required number of training hours prior to annual recertification; and that Needs and Services Plans (NSP's) and Quarterly Reports include all information as required by Title 22 regulations. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Hudson Lyndsey Foster Family Agency Contract Review: Agency needs to improve oversight controls of the foster homes to ensure compliance with Title 22 provisions are being met. Agency has begun implementing the recommendations contained in our report. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Los Angeles Urban League Contract Review – Workforce Investment Act (WIA) Adult and WIA Dislocated Worker Programs: Overall, the Urban League is in accordance with its County contract and WIA guidelines. However, the Agency enrolled approximately 35% more participants than their targeted performance levels could endure. Auditor-Controller recommends DCSS review Urban League's final enrollment totals for FY 2004-2005 to evaluate the Agency's future staffing levels. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Mexican American Opportunity Foundation Contract Review – Calworks Stage 1 Child Care Services: Review determined Agency's performance is in good standing. In only one instance, the Agency over billed DPSS \$125 for child care services provided to an unqualified participant. Agency acknowledged the over billing was an error and would repay DPSS the \$125. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Options Contract Review – Calworks Stage 1 Child Care Service Contractor: Review determined Agency billed DPSS for enhanced referrals and re-billed DPSS for the same services as retroactive payments the following month. The total amount over billed was \$2,242. Since our review, the Agency has implemented a 'double-check' process to prevent future double billing errors and has repaid DPSS the \$2,242. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Rosemary Children's Services Foster Family Agency Contract Review: Agency needs to ensure current court authorizations for children using psychotropic medication are maintained and that foster parents complete the required hours of training per the County contract. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Serenity Foster Family Agency Contract Review: Auditor-Controller review determined the following deficiencies need to be addressed: improve oversight of homes to ensure compliance with Title 22 provisions; properly secure kitchen toxins and detergents; and have operable smoke detectors in the hallways leading to the children's bedrooms. Agency has submitted a corrective action plan addressing the issues discovered during the review. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

The Sycamores Foster Family Agency Contract Review: Review determined the Agency is providing the services as outlined in their County contract. However, the Agency failed to ensure DCFS social workers participated in the development of the children's NSPs. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Children's Way Foster Family Agency Contract Review: Agency needs to strengthen safety controls of its homes to ensure conditions are free of potential hazards. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Family Solutions, ShadyBrook and La Habra Group Homes: Both homes need to develop comprehensive Needs and Services Plans; provide children with the minimum required allowances; and encourage/assist children in maintaining life books/photo albums. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Pomona Unified School District Contract Review – Calworks Stage 1 Child Care Service: Auditor-Controller review determined Agency needs to ensure services are only provided to eligible participants, implement controls to prevent billing DPSS twice for the same services, repay DPSS for the amount over billed (\$5,635), and hire staff that meet the required education and work experience. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Welfare Fraud Prevention Program Review – Quarterly Report: Report listed a total of 17,017 pending wage abstracts as of September 30, 2005, which is a 40% decrease from the 28,202 pending abstracts reported in the quarter ending June 30, 2005. The next quarterly report will be provided by January 31, 2006. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Status Report – Board Requested Report on DHS Physician Timekeeping Protocols, Contracted Physician Oversight and Investigation of Outside Employment (Board Agenda Item 85-A, August 30, 2005): DHS is considering alternatives to our (Auditor-Controller) recommendations concerning County physician time accountability. Auditor-Controller will continue to work with DHS in evaluating their proposed alternatives. Further, the review is expected to be completed and presented to the Board of Supervisors by December 22, 2005. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Child Care Information Services Contract Review – Calworks Stage 1 Child Care Services: Agency is providing the services as required by the County contract and no material findings were discovered. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Proposition A Contract – Greater Avenues for Independence (GAIN) Case Management Services (Board Agenda 11/15/05 Item 18): Auditor-Controller has reviewed and approved the cost analysis prepared by DPSS indicating the contract is cost-effective. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Proposition A Contract – South Valley Health Center Radiology Services (Board Agenda Item 11/15/05 Item 12): Auditor-Controller has reviewed and approved the cost analysis prepared by DHS indicating the contract is cost-effective. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Reports Received

Group Home Program Monitoring Report – Arrowhead Emancipation Program, Incorporated; Altadena Drive, Canyon Crest, Fair Oaks, and Via Maderas Group Homes: Auditor-Controller review revealed material findings in the homes ranging from security issues and numerous facility repairs. However, Agency has addressed all issues and has corrected/implemented Auditor recommendations in October 2005. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Review of Enterprise E-Learning Suite Procurement Process – Board Special #05-046: Ms. Oms reported all questions proposed by the Board of Supervisors regarding this item have been addressed and answered. Jim Schneiderman will ensure the appropriate Second District staff (Mike Bohlke and Randi Tahara) is included in the report. Louisa Ollague advised a private briefing with the Second District may assist in resolving this matter. Robert Campbell reported the written assurances from the contractor outlining they will meet the original terms of the contract is still pending.

Other Business

FFAs and Group Home Monitoring: Ms. Oms reported progress has been positive between DCFS and the contract monitoring group. Also, duplication of monitoring is no longer occurring.

LAHSA Update: Ms. Oms reported 600 contracts were under reconciliation and roughly 50 contracts still need to be resolved. Auditor-Controller work should be finished by the end of November 2005. Further, the interim CFO contract expires December 17, 2005 and LAHSA has yet to hire a permanent CFO. In response to Carl Gallucci, Mr. Schneiderman reported Auditor-Controller staff has been working on LAHSA issue for 4-6 weeks. Brence Culp expressed concern regarding the absence of a permanent CFO between December 2005 – February 2006. Ms. Oms advised the interim CFO has procedures in place ensuring all checks are reviewed and error free. Auditor-Controller goal is to ensure all of LAHSA's bookkeeping records are ready before a single audit

begins. Further, staffing levels and policies/procedures are being addressed and corrected as needed.

DCSS Program Liabilities: Auditor-Controller staff reported the program liabilities are approximately \$2 million and reiterated all questionable items are potential liabilities that may or may not be booked.

Public Comments

Roné Ellis requested copies of the Audit Committee items/materials as discussed. Louisa Ollague furnished the copies to Ms. Ellis as requested.

Matters not on the Posted Agenda (to be Presented and Placed on the Agenda of a Future Meeting)

There were none.

Adjournment

There being no further business to conduct, the meeting was adjourned at 2:05 p.m.